

## REMARKS

A petition for 1-month extension of time is hereby made under 37 CFR 1.136, along with authorization to charge the fee to Deposit Account No. **50-2778**. The period for response to the aforementioned Office Action is extended by this petition through December 27, 2003.

In this amendment, claims 1, 2, 5-17, 19-29 and 33, have been amended. For example, "a program or programs" was replaced with "a program" because the indefinite article 'a' applies to single and plural. In another example, the "account database" in claim 1, is now recited more broadly with structural rather than mere functional qualifiers. In yet another example, the amendment to claim 19, moved the recitation of "removing incentive points from the first and second stored accounts..." to the end of the claim body where it logically and idiomatically fits better. Support for the claim amendments is provided throughout Applicants disclosure as originally filed and no new matter has been introduced.

Thus, in further response to this Office Action it is noted that claims 1-17, 19-33, and 35-39 are now pending and believed to be allowable over the cited references. Reconsideration and allowance of these claims is hereby respectfully requested.

The Examiner indicated in this Office Action that claims 1-14 have been rejected under 35 U.S.C. §103 as being unpatentable over U.S. Patent 5,835,896 to Fisher in view of U.S. Patent 6,510,418<sup>1</sup> to Case, claim 15-17 and 23-37 have been rejected under 35 U.S.C. §103 as being unpatentable over U.S. Patent 5,835,896 to Fisher in view of U.S. Patent 6,510,418 to Case and in further view of U.S. Patent 6,178,408 to Copple,<sup>2</sup> claim 19-22 have been rejected under 35 U.S.C. §103 as being unpatentable over U.S. Patent 5,835,896 to Fisher in view of U.S. Patent 6,113,495 to Walker and in further view of U.S. Patent 6,178,408 to Copple.

The Examiner made a number of unsupported assertions in these rejections which are respectfully traversed and objected to. For example, as to the assertions in page 4 (2<sup>nd</sup> and 3<sup>rd</sup> paragraphs), there is no support in the cited references and no other reference is provided in support of the alleged knowledge in the art of  $M=N$  or  $M=1$  and  $N=1$ . Moreover, there is no support for the allegation that incentive points are based on bid price, although the Applicants

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<sup>1</sup> The Examiner inadvertently indicated in the Office Action patent number 6,510,416 instead of 6,510,418 to Case, but the number was properly indicated in the form PTO-892 (Notice of Cited References).

<sup>2</sup> See additional rejections by the examiner of claims 23-26, 27-30, 31-33, and 35-37 based on these references Fisher, Case and Copple, in pages 19-25 of the aforementioned Office Action.

suggests that in some instances they may have a 1:1 relationship.<sup>3</sup> In fact, as stated in the Applicants' disclosure, Yahoo!Points are universal and can be redeemed by any merchant (different than the one awarding them). Yahoo!Points can be earned in any number of ways; by registration, by purchase of product/service, by viewing advertisements or any one of the additional methods as described in pages 24 and 25 of Applicants' disclosure. Furthermore, Yahoo!Points can be converted into some other incentive program's units (miles) or actual money.<sup>4</sup> As to the assertion in page 5 (1<sup>st</sup> paragraph), the Examiner mischaracterizes the relationship between incentive points and bid price as used in the claims of the present invention. Specifically, the bid price is not but can be covered by payment units such as incentive points or be payable by money.<sup>5</sup> Finally, Yahoo!Points can be redeemed for a special gift certificate through a fixed-point redemption system or they can be redeemed through a Yahoo!Auction system.<sup>6</sup>

As to the references themselves, Fisher discloses a computerized system and method for conducting a multi-person interactive auction where bids are submitted and validated and where bidder information is submitted along with the bid and stored in a customer record. (See, e.g., Fisher Abstract, col. 4, line 46 to col. 5, line 6, col. 6, col. 8 lines 30-41, and col. 10, lines 12-19.) Unlike the claims<sup>7</sup> of the present invention, Fisher fails to disclose using points let alone reservation of points, i.e., setting aside points from the user account (so that they are not available while the auction is ongoing and the bid is in effect). Additionally, Fisher fails to disclose the following: an auction server operatively linked to a web server (claim 1), a database server reserving a bidder-selected number of payment units received by a web server (claim 8), an account database containing points in encrypted form (claim 11, 15, 19, 24, 27 and 29), discarding unredeemed points whose time has expired (claims 15, 19, 23, 27, 29), unreserving the points if the bid is not successful (claim 19), and specifying minimum bid price (claim 29).

Unlike the auction system and method of the claimed invention and in Fisher, Case is directed to a system and method for processing buyer offers and deterring submission of similar

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<sup>3</sup>. Page 23, line 17 in Applicant's disclosure.

<sup>4</sup>. Page 25, lines 16-17 in Applicant's disclosure.

<sup>5</sup>. See, e.g., claims 2-7.

<sup>6</sup>. Page 26, lines 11-27 in Applicant's disclosure.

<sup>7</sup>. Claims 1, 8, 11, 15, 19, 23, 27, 29 and their respective dependent claims.

repetitive offers by buyers. In Case, a first and second offer is received from the same party and compared against each other to detect their similarity (Case Abstract, and col. 6, 11, and 12). Clearly, offers by the same party in Case are not auction bids. Indeed auction bids are made by different parties that are competing against each other. Accordingly, the combination of Fisher and Case is not proper for the purpose of producing the claimed invention as recited, for example, in claims 1-14. That is, modifying Fisher with the teaching of Case would render Fisher inoperative as originally intended, and vice-versa. Moreover, because Case is not directed to auctions, it is understood why Case does not teach reservation of points, i.e., setting aside points from the user account (so that they are not available while the auction is ongoing and the bid is in effect). In other words, because Case does not make up for the deficiency in Fisher, neither Fisher nor Case, singly or combined, teaches or suggests all the elements in claims 1-17, 19-33 and 33-37.

Copple does not make up for Fisher's deficiency either, alone or combined with Case, even though it discloses reservation of points and discarding expired points (Copple, col. 5, lines 5-36, col. 6, lines 6-65, and col. 7 lines 13-43). Copple discloses a method for redeeming collectible points but it does not disclose any system for doing the same. Copple, like Fisher, further fails to disclose the following: an auction server operatively linked to a web server (claim 1), a database server reserving a bidder-selected number of payment units received by a web server (claim 8), an account database containing points in encrypted form (claim 11, 15, 19, 24, 27 and 29), and specifying minimum bid price (claim 29). Copple also fails to disclose the means for adding incentive points to the third and fourth entries and means for deleting the points from the third and fourth entries (claim 23).<sup>8</sup> In other words, Fisher, in combination with Case and Copple does not teach or suggest the claimed invention as recited in the above-enumerated claims and their dependent claims.

Finally, Walker discloses an electronic gaming system and method; again completely unrelated to auction and/or offer systems. Combining Fisher with Walker is therefore improper. Nevertheless, even if it were proper, Walker does not teach maintaining points in encrypted form,<sup>9</sup> as required in the above-enumerated claims. Walker further fails to disclose the following: an auction server operatively linked to a web server (claim 1), a database server reserving a

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<sup>8</sup> Copple discloses an entry per user.

<sup>9</sup> Walker discloses encoding user name etc. but not points (Walker. Col. 4, lines 62-67).

bidder-selected number of payment units received by a web server (claim 8), an account database containing points in encrypted form (claim 11, 15, 19, 24, 27 and 29), and specifying minimum bid price (claim 29). Walker also fails to disclose the means for adding incentive points to the third and fourth entries and means for deleting the points from the third and fourth entries (claim 23).

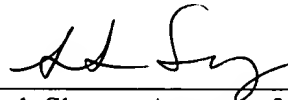
Having reviewed the references vis-à-vis all the rejected claims and having concluded that none of these claims is either taught or suggested by the references, singly or combined, we further suggest that the claims are allowable over the references. Namely, claims 1-17, 19-33 and 35-37 are allowable over Fisher, Case, Copple and Walker, singly or combined.

As it is believed that the claims are allowable, it is further believed that the application is now in condition for allowance. Thus, reconsideration and a Notice of Allowance of these claims is hereby respectfully requested.

Should any matter remain unresolved or if any question remains unanswered the Examiner is kindly invited to contact the undersigned Applicants' attorney.

Date: December 16, 2003

Respectfully submitted



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**CERTIFICATE OF MAILING (37 CFR 1.8(a))**

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being deposited on December 16, 2003, with the U.S. Postal Service as first class mail in an envelope addressed to: Mail Stop Fee Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA, 22313-1450.

Date: December 16, 2003



Yvette Yturralde-Owen